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Japan will join Pacific trade talks despite opposition in U.S. Congress

By [Howard Schneider](#), Published: March 14 |
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Despite a backlash from U.S. lawmakers Thursday over Japan's possible entry into trade negotiations with the United States, Japanese Prime Minister Shinzo Abe announced Friday his nation would join the 11-nation Trans-Pacific Partnership talks in pursuit of a Pacific trade pact.

House and Senate members opposing the move said [in a letter to President Obama](#) that they feared that if Japan joined the talks, it would do little to boost exports of U.S. cars to that country and that the one-sided vehicle trade between the two countries will remain a drag on American industry.

Japan is notorious for its low level of auto imports — less than 6 percent of total sales, compared with an average of about 40 percent in the developed world. The letter estimated that for every car the United States sells to Japan, Japan exports 120 to the United States.

The lopsided auto trade, which analysts say is a product of regulatory, cultural and other barriers, has been the subject of prior U.S. talks with Japan, but to little effect.

“Japan's significant, long-standing, and persistent economic barriers put in place to block our exports and support theirs have hurt American workers and businesses for decades,” the letter stated. “These long-standing, economically harmful practices are not susceptible to cursory negotiation at this stage.” The administration hopes to complete the TPP talks this year.

Abe [has set an ambitious agenda](#) to buoy the nation's economy, and some top Japanese analysts argue that a free-trade pact with the United States and other nations could be an important element in that. It could also guarantee Japan access to U.S. energy exports to help temper its rising power costs.

His decision to join the talks raised protests from farmers who have long enjoyed protected status in Japan.

“What we really should fear is doing nothing,” Abe said in his announcement, according to an Associated Press report. “We are standing just at the entrance. I promise you that we will guard our sovereignty as we pursue our national benefit through these negotiations.”

The Obama administration [has its own ambitions](#) for the TPP to help expand the U.S. economic presence in Asia and serve as a counter to China. In that regard, the addition of the world's third-largest economy would magnify the economic and political importance of the pact.

But as the letter from Congress demonstrates, it will also make the negotiations and the approval of any treaty that much more complicated. Many of the nations involved in the TPP already have free-trade pacts with the United States, including Canada, Mexico, Australia, Singapore and Peru. But the presence of Vietnam and Malaysia at the table has unnerved some labor and civil society groups that think any agreement could mean more U.S. jobs moving overseas to lower-wage countries.

Japan will add a whole new dimension as the United States discusses eliminating trade barriers with a nation whose technical and industrial acumen matches its own. U.S. officials argue that a true economic opening between the nations would provide a massive benefit for U.S. manufacturers, agribusiness, financial companies and others. As it stands, Japan's roughly \$70 billion a year trade surplus with the United States is second only to China's.

Trade advocates and skeptics are already squaring off over the initial results from a now year-old trade deal with South Korea, another industrial giant. Exports of many U.S. products, including autos, have risen since the agreement took effect. But the overall U.S. trade deficit with South Korea has grown, and the boost in autos comes on top of a minuscule base.

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